

## Message Text

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ACTION OES-09

INFO OCT-01 AF-10 ARA-10 EA-10 EUR-12 NEA-10 ISO-00  
ACDA-12 CIAE-00 INR-10 IO-13 L-03 NSAE-00 NSC-05  
EB-08 NRC-05 SOE-02 DODE-00 SS-15 SP-02 CEQ-01  
PM-05 SAS-02 HA-05 /150 W  
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R 301454Z AUG 78  
FM AMEMBASSY VIENNA  
TO SECSTATE WASHDC 7771  
INFO USDOEHQ WASHDC  
USDOEHQ GERMANTOWN

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USIAEA

DEPT PASS IO/SCT AND S/AS  
DOE FOR AMMONS AND GIAMBUSSO, IA

E.O. 11652: N/A  
TAGS: ENRG, TECH, IAEA  
SUBJECT: INFCE: INTERNATIONAL FUEL TRUST

REF: VIENNA 6884

1. BASED ON SUGGESTION BY ADG FISCHER TO DR. SCHEINMANN  
REPORTED PARA 14 REFTTEL, MISSION PROPOSES TO BRIEF  
DIR GEN EKLUND ON INFT FOLLOWING HIS RETURN TO VIENNA  
SEPTEMBER 4. FOR THIS PURPOSE, MISSION REQUESTS  
INFORMATION ON CONTENT OF INFA REPORT TO CONGRESS  
REQUIRED BY SECTION 104B OF THE NNPA OF 1978 AND LATEST  
DRAFT OF INFA PAPER IN PREPARATION FOR OCTOBER 30  
MEETING OF WG-3. WHILE OUR BRIEFING OF DIR GEN COULD  
BE BASED ON JULY 19, 1978 DRAFT ENTITLED "INTERNATIONAL  
NUCLEAR FUEL TRUST AGREEMENT," IT WOULD BE DESIRABLE  
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FOR BRIEFING TO BE BASED ON LATEST WASHINGTON THINKING  
ON THIS SUBJECT.

2. MISOFF MET AUGUST 29 WITH SECRETARIAT LEGAL STAFF  
MEMBER MR. PHUONG HA-VINH, RAPPORTEUR FOR WG-3,  
TO DISCUSS FUEL TRUST. HA-VINH, WHO HAD OBVIOUSLY  
ALTERED HIS THINKING ON THIS SUBJECT SINCE HIS

PREPARATION OF AGENCY COMMENTS ON THE US FUEL BANK PAPER, STATED THE FOLLOWING PERSONAL (STRESS PERSONAL) VIEWS:

- A. FUEL TRUST SHOULD BE AN INTERNATIONAL ORGANIZATION AFFILIATED WITH BUT NOT INTEGRATED INTO THE IAEA. INTEGRATION INTO THE IAEA WOULD SUBJECT THE TRUST ULTIMATELY TO BOARD JURISDICTION; SINCE THE BOARD IS GOVERNED BY THE STATUTE. HE EXPRESSED CONCERN THAT ARTICLE IIIC OF THE STATUTE WOULD MAKE IT DIFFICULT FOR THE TRUST TO PROVIDE SERVICES SELECTIVELY IF SELECTION IS BASED ON NON-PROLIFERATION CONDITIONS BEYOND THOSE GENERALLY ACCEPTABLE TO AGENCY MEMBERSHIP. (FYI: PARA 3B OF PHILIPPINE COMMENTS TO U.S. WG-3 FUEL BANK PAPER RAISED THIS SAME POINT.)
  - B. BY AFFILIATION WITH THE AGENCY, HA-VINH MEANT THAT THE SECRETARIAT COULD PROVIDE EXPERT ADVICE ON ELIGIBILITY FOR SERVICES, CONSIDERING SUCH MATTERS AS WHETHER THE APPLICANT WAS IN VIOLATION OF NON-PROLIFERATION CONDITIONS, WHETHER PHYSICAL SECURITY AND SAFEGUARDS REQUIREMENTS WERE BEING MET, AND WHETHER THE APPLICANTS' NUCLEAR PROGRAM WARRANTED MAKING THE REQUESTED TRUST SERVICE AVAILABLE. THE AGENCY'S EXPERT ADVICE WOULD BE WEIGHED BY THE TRUST COUNCIL, BUT THE COUNCIL WOULD MAKE THE ELIGIBILITY DETERMINATION; IT COULD ACCEPT OR REJECT THE IAEA SECRETARIAT'S ADVICE.
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- C. HE BELIEVED THE TRUST SHOULD HAVE ITS OWN OPERATING AND ADMINISTRATIVE SECRETARIAT. USE OF AGENCY SECRETARIAT PERSONNEL FOR TRUST OPERATION AND ADMINISTRATION COULD RAISE QUESTIONS OF DIVIDED LOYALTY BETWEEN AGENCY BOARD AND TRUST COUNCIL.
- D. TRUST MEMBERSHIP SHOULD BE OPEN TO ALL STATES, WHETHER OR NOT MEMBERS OF IAEA.
- E. TRUST SHOULD BE BASED ON TREATY AMONG MEMBERS.
- F. TRUST SHOULD UTILIZE PLEDGES RATHER THAN PHYSICAL REPOSITORY. PLEDGES COULD BE MADE RELIABLE BECAUSE BASED ON TREATY. PHYSICAL REPOSITORY RAISES DIFFICULT QUESTIONS OF LOCATION, SAFEGUARDING, COSTS OF DORMANT INVENTORY.
- G. SPENT FUEL RESULTING FROM FUEL TRANSFERRED BY THE TRUST SHOULD BE DISPOSED OF IN ACCORDANCE WITH TERMS AND CONDITIONS AGREED TO BY TRUST MEMBERS. HE RECOGNIZED DIFFICULTY OF OBTAINING AGREEMENT OF TRUST

MEMBERSHIP TO SUCH TERMS AND CONDITIONS, BUT THOUGHT THIS COULD BE DONE IN PREPARATORY COMMITTEE PRIOR TO FORMAL ESTABLISHMENT OF TRUST, AND THAT ESTABLISHMENT OF TRUST TERMS AND CONDITIONS WOULD BE BETTER THAN USING TERMS AND CONDITIONS APPLICABLE TO THE SHIPMENT UPON WHICH THE MEMBER BASED ITS REQUEST TO DRAW ON THE STOCKPILE.

4. PLEASE ADVISE RE MISSION'S PARA 1 REQUEST FOR INFORMATION. KIRK

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, NUCLEAR FUELS, NEGOTIATIONS, NUCLEAR COOPERATION PROGRAMS, BRIEFING MATERIALS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780355-1077  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
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**Previous Handling Restrictions:** n/a  
**Reference:** 78 VIENNA 6884  
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**To:** STATE  
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